19 56 Karnatak

File No. R 3 9 II
Part (2/8)

B Class R & B.C. **DEPARTMENT** 648

ERS Dep. No. 45 **B BRANCH** Rlw (T)
57. dt 21/2/57.

Subject:— Loans

Application for - Grant
of - to Refugee from Pakistan.

B^w D^y
B^o
23/3/57

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D-4

File No. R 3 9 II
(1 to 2/8)

td. Sectt. Slip 24 B o.

Karnatak
B Class

No. 10 (3) / RH.D.450.
Government of India,
Ministry of Rehabilitation,

New Delhi, the 5th August, 1950.

From

DR. Tara Ch- and, M.A., Ph.D.
Assistant Secretary to the
Government of India,

To

All Parts A, B, and C States.

Subject:- EXTENSION OF THE PERIOD OF RECOVERY OF URBAN LOANS FROM DISPLACED PERSONS FROM PAKISTAN.

Sir,

In partial modification of this Ministry's letter No. RH.D. 506(16) dated the 15th July 1949 on the subject noted above, I am directed to state that on representations received from certain State Governments, the Government of India have decided that the State Governments may start recovery of such loans from displaced in deserving cases involving hardship after the expiry of three years instead of two years, from the date of payment of loans.

The interest free priod will however be restricted to one year only.

Yours faithfully,

(TARA CHAND)
ASSISTANT SECRETARY TO THE
GOVERNMENT OFINDIA.

Copy to:-

1. Ministry of States.
2. Ministry of Finance (Rehab.) with reference to their U/O No. D.1450/FR(RH)/50 dated the 31st July, 1950.
3. Cabinet Secretary.
4. Prime Minister's Secretariat.
5. P.S. to H.M.(R).
6. P.S. to the Adviser.
7. All Honorary Regional Advisers.
8. Relief and Rehabilitation Organisation, Defences Services, with 3 spare copies.
9. Press Information Bureau.
10. A.S. Sardul Singh, Punjab Government's Liaison Officer
11. Auditor General of India.
12. RH-'A', RH 'B' RH 'C' and Budget Branches.
13. The Deputy Accountant General (F & R) New Delhi.
14. Branch Secretariat, 9/4 Middleton Row, Calcutta with 10 spare copies.
15. P.S. to Secretary.

Assistant Secretary to the
Government of India.

X.D
6/6

Rehabilitation Department.

B

Submitted with reference to J.S's note dated the 9.8.50.

It will be seen from the Governments of India's letter dated the 14.7.49 that concession has been given to displaced persons that in deserving cases repayment of loan will start after the expiry of 2 years. The suggestion of the Governments of India/s was accepted by the Govornment of Bombay and the necessary instructions were issued to all the officers concerned. Copy of the Government of India's letter now received may be forwarded to all the officers concerned makingit clear that thisconcession should be given onlyin most deserving cases, and not as a matter of cougrse

Draft endorsement is put up

Below copy of letter no. 10(3)/RHB / 50 dated the 5-8-50 from the Government of India M of Rehabilitation New Delhi.

No. R.39/30534-B
Rehabilitation Department.
B.C. August 1950.

Forwarded to-
The Director of Rehabilitation.
All collectors
The Director of Industries.
The Regr. Co-op.and Director of Agriculture
The joint Registrar for Indian Cultural and village Industries.
The Accountant General, Bombay.
The Finance Department.

With Reference to Government Resolution R-39-B dated the 25-8-49 for information and guidance

2. The exception from repayment of the loan for the first three years from the date of paymentof the loan should be given only in mos deserving cases and not as a matter of course.

By Order

X.D
6/6.

Copy of a letter No. 10 (3) /RH.D. /50 dated the 5th August 1950, from the Government of Undua Ministry of Rehabilitation New Delhi.

SUBJECT:- EXTENSION OF THE PERIOD OF RECOVERY OF URBAN LOANS FROM DISPLACED PERSONS FROM PAKISTAN.

In partial modification of this Ministry's letter No. RH. D. 506 (16), dated the 14th July 1949 on the subject moted above I am directed to state that on representations received from cer tain state Governments the Governments of India have decided that the State Governments may start recovery of such loans from displaced persons in deserving cases involving hardship after the expiry of three years instead of two years from the date of payment of loans

The interest free period will, however be restricted to one year only.

No. R-39/30534-B
Rehabilitation Department,
Fourth Floor, Merchantile Bank Building,
Mahatma GandhiRoad, Fort Bokbay (1) 18th August 1950.

Forwarded with compliments to
The Director of Rehabilitation.
All Collectors,
The Director of Industries.
The Registrar of Co-operative Societies and
Director of Agricultural Marketing and Rural Finance,
The Joint Registrar for Industrial Co-pperatives.
and village Industries.
The Accountant General Bombay.
The Finance Department.

with reference to Government Resolution No. R-39/B, dated the 25th August 1949, for informationa-nd guddance.

2. The exemption from repayment of the loan for thefirst three years from the date of payment of the loan should be given only in very deserving cases and not as a matter of course.

By order of the Governor of Bombay.

(D.R. PINGE.)

Assistant Secretary to the Government of Bombay,
Rehabilitation Department.

This is an application from a refugee from North Western Frontier Province in receipt of a loan of Rs.3,000/- from Government. He requests that recovery of t above loan may be waived in this case.

2. This may be referred u.o. to R.O. Bombay for remarks in the first instance with reference to the following points:

1. Whether or not sufficient oppurtunities for the sucessful conduct of the particular bussiness in the locality w where the refugee desired to conduct it, were examined before the loan was granted.

2. Whether the facts as reported by the applicant are correct.

3. Whether progress of business in this case has been w watched

4. What is the present financial position of the applicant so far as recovery of the amount of loan is concerned

5. Whether there is any other source of recovery besides the debtor.

Below ee U. O. R. No. 22/5441-B dated 10-3-1949 from the Deputy Secretary Relief and Rehabilitation Department

Office of the Commr. of Police
Refugee Branch.

Returned with compliments.

Discreet enquiries were made about the person's bonefides generalability, suitably of the proposed area for the business etc. before the actural amount of loan was granted. Watch was also kept on this displaced persons business and it was also ascertained that he had spent an amount of Rs.790/- for purchasing tools etc. for conducting business immediately after the receipt of the amount of loan from this office. Unfortunately he did not start well in his business. He was hardly earning Rs.50/- p.m.in the beginning. He has been taken ill for the last two months and not doing any business at all.

The applicant has three en brothers:. one Mr. Chandulal working as a clerk in the office of the Regional Commissioner, Disposals, Bombay on salary of Rs.135/- p.m. The other, Mr. Kailas chand is at present under training as a constable in the B.C.P' Force. The third, Mr. Mohanlal is unemployed. It will be seen that they cannot repay the amount on applicant's behalf.

He is still in possession of tools for repairing ornaments and jewellary, the estimated cost of which is about Rs. 600/-

Refugee Officer, Bombay,
Commissioner of Police, Bombay.

U.O.H. No 327 / RFG / 235 dated the 26th April, 1949.

Please see on of 9.3.49 and the report received from the Ration-Officer Bombay wherein he has corroborated the facts stated by the applicant.

2. As regards the recovery of the amount of loan the Rationing Officer, Bombay is of the opinion that nothing can be recovered from any of the Mr. Kesarlal's brothers and that these are tools worth about Rs.700/- which can be obtained in satisfaction of the amount of loan.

3. In connection it may further stated that Mr. Dezarlal hasd some time back informed this department that as he was not keepin-g good health here at Bombay he was leaving for East Punjab shortly. The Rationing officer Bombay therefore been directed to takeimmediate steps for the recovery of the amount of loan. His report on the action taken in the matter is awaited. The Rationing Officer Bombay has recently been expediated in the mat er. We may therefore await his report in the matter before taking any final decision in the matter.

Relief and Rehabilitation Deptt.
B Br.

Serial No. 8.

This is regarding reccvery of loan advanced tothe applicant.

2. A similar application previously received in the Department has been referred u.o. to the Rationing Officer Bombay for remarks. This may await till the return of those papers.

Office of the Refugee Officer, Bombay

Returned with compliments. ---------- ---

The previous papers in this connect on received in this office under Relief and Rehabilitation Department U. O. R. No. 39/5441-B, dated 20-3-49, have be n returned under this office U. O. R. No. 327/RFG/32 dated 26-4-49. Mr. Kesarlal Kherchand Saraf was contacted and has been warned not to leave Bombay unless requisite permission is granted by Government His statement has been recorded and a copy thereof is sent herewith . Early orders are solicited as to what action should be taken in this case.

It may be stressed that this is a case in which loanee has failed through his sherr ill-luck . The loan was granted to him after making throough enquiries with the help of divisional police and afterascertaining that he was following the same profession before partition.

It may be added here that as far as possible watch is being kept and also confidential enquiries are being made ineach case but the trend of ~~them~~ things is such that I am af aid neither the sucess in business nor the recovery of loan can be ~~sure~~ guarnnteed at anystage. Even after strict watch on the part of this office displaced persons do manage to hide several things.

It will not be out of place if I point out that there are already signs of eventual depression in the market, and this is an extremely dangerous period for anybody to invest money in any business or industry, Only one who can manage to get accommodation in a crowded locality can manage one's business sucessfully but that too if he stands to competition. I am particularly apprising Government of this situation with a view that the same will be taken into consideration by Government while liberalising the present policy. In my opinion loans can only be granted to professional men (such as doctors and lawyers) on individual merits. But for industries and businesses loans will have to be granted in rare cases and that too with caution if the Government money is to be safeguarded.

Relief and Rehabilitation Department.

B Br.

Serial No. 3.

The previous papers of the case have been referred u.o . b to the Rationing Officer, Bombay for report. His reply is still awaited.

2, As regards the applicant proposing to leave Bombay, this may be referred u.o. to the Rationing Officer Bombay in continuation for favour of taking immediate action in the matter.

U.O.R. to the Rationing Officer Bombay.

R 39/9492 - B.
20/4/49.

Copy of a statement of Kesarlal son of Khorchand Saraf,

~~Hubdy~~ Hindu, 26 occu - Goldsmith ,Res. R No. 3, Barrack No. 12. Koliwada Camp.

I am ~~44~~ from Peshawar from where I first went to Ambala where after staying 2 months I went to Delhi and thence to Bombay where I am staying since 22.1.48 at the above mentioned address. After coming here I had applied for loan from the Government of Bombay and I am granted a loan of Rs.3,000/- on 28.6.48. Out of this amount I speent about Rs.600/- in purchasing the necessary tools etc. required for may business. I also purchased silver valued at about Rs.2-00/- and also purchased ~~(~~ilver valued at about precious stone (intimation and real) worth about Rs.250/- . Thus I spent about Rs. 1000/- in establishing my shop. The remaining amount of Rs.2000/- was spent in maintaining myself and my family members (5) for the last about one year, as I could not suceed in may shop . I ran the shop in loss. I have paying rent of Rs.15 per ,,nth since 1-6-49

As I cannot pull on here with my business I.now wish to go to Jullunder where I know some friends who have informed me that there is good scope for me at Jullunder. If I am allowed to take the instruments tools and other articles purchased by me from the authority concerned . I cannot state when I will be able to repay the loan. If I prosper in may business at Jullunder (Tanda Rd. Nimi Galli op . Aminchand Pyarelal, C/o Ramsaran Saraf of Peshwar.) I will repay allthe loan if and when possible,,. Now I am being supported by my brother Chandrakhan.

in Jullunder of the facts of the case and take their help in recovery of the amount.

Yes. We should also keep in touch with the Jullunder authoriti Dy. Commissioner intimating facts of this case and requesting tha he may be kept informed of Mr. Kesharlal's activities and progress so that further action for recovery can be taken as necessary

I agree with R.O. that loans should be granted only in bona fide cases. Please put up the loan file for issuing orders.

Rehabilitation Department.

B Br.

Please see o.n. dated the 4th May '49 and the reply received from the Rationing Officer Bombay in connection with o.n. dated the 20th April 1049.

2. The loan in this case was granted for running a goldsmith and a Jewellers shop and the amount granted was therefore to be used for the above purpose and not for the maintenance of family. In this case only a sum of Rs. 1200/- (Rs. 600/- for tools Rs.300/- for silver, Rs.250/- for precious stones, Rs.250/- for rent) have properly been spent and the balance of Rs.1800/- has been mispent . A breach of the conditions for grant of loan has therefore been committed and the whole amount of loan can be recovered immediatley as an arrear of land revenue.

3. As already stated in para 2 o.n. dated 5.4.49 there is hardly property worth Rs.700/- [tools] that can be taken in satisfaction of the whole amount of loan . In this connection it may be stated that when Mr. Kesarlal came here to see Assistant Secretary it was informally gathered from him that as his brothers are unwilling to guarantee repayment of loan no sureties can be produced by him. The loan is therfore unrecovered able to the extent of Rs.2300/- and may be treated as such to that extent for the present.

4. As Mr. Kesarlal is unable to earn anything here he has requested that he may be permitted to leave Bombay for Jullunder where he intends to resettle in business with the help of his friends. He has given his Jullunder address and promises to repay the whole amount of loan if and when possible. Since nothing else excepting the tools which he is prepared to give up can be recovered from Mr. Kesarlal at this stage there does not seem any objection in permitting him to leave Bombay for Jullunder. Moreover this facility if granted may enable him to return the amount of loan gradually although the chances of repayment do not appear to be bright.

5. If the above is agreed to the Rationing Officer Bombay should be asked to take over the asset or ask the party concerned to see him off and credit him to Gov ernment.

The Rationing Officer should also inform the authorisation

assets is to be made as am arrears or land re-
venue . It is not known what procedure is to be fol
wed in this respect before the assets are finally dispo
sed of by public auction etc.. R.L.A. may see the papers
and advice. As regards storing of seized articles as su
cases are not many no general orders are necessary at th
stage.

If there is not a condition that all assets cr·
eated outofhe the loan an mortgaged to Government.
If si he c n perhaps dispose of them by
therein. But what difficulty is I do not
clearly understand

Rehabilitation Department.

B Br.

Serial No. 7.

In this case a loan of Rs. 3000/- had been sanctioned by the Rehabilitation Officer, Bombay . Mr. Kesarlal had utilised a part of the amount of loan on purchase of tools, etc. and the balance was utilised by him on maintanance. This amounted to breach of the conditions for grant of loan. Accordingly to the bond for repayment the amount of loan was therefore recoverable immediately as a arrears of land revenue. As Mr. Kesarlal was unemployed , & keeping bad health and his financial position was also very bad, a sympathetic view was taken. He was permitted to leave for Jullunder on condition of selling his assets and credition the amount in treasury. But, Mr. Kesarlal left Bombay without disposing his assets. These have now been taken possession of by the Director of Rehabilitation and stored in his office premises. As the arrangements for storing of seized articles in his office are not satisfactory the Director of Rehabilitation has solicited advice in the matter. The Director of Rehabilitation has also solicited Government orders regarding the disposal of the seized articles.

3. As already stated Mr. Kesarlal left Bombay without selling the assets the Director of Rehabilitation who is the sanctioning authority and is also responsible for effecting recoveries has taken possession of these assets to prevent further loss etc. and also to safeguard Government interests. The above action taken by the Director of Rehabilitation seems to be within his competence and is in accordance with the law. The recovery of the amount of loan by sale etc. of these

Before the goods are sold off it is necessary to know the procedure to be followed. L. D. may see and a advice.

U-O-R- to the L.D.

Resubmitted.

6. The assets created out of the amount of loan are always got mortgaged . In this case also the assets were got morgaged and have now been taken possession of. Although by virtue of mortgage the assets can be disposed of by Government but in order to safe guard our position of making recovery in respect of the difference in the sale proceeds of the assets and the amount of loan it would be bet er to give a public notice to the mortgager of the proposed sale of auction. It was only with a view to verify legal position to this effect that it was proposed to obtain A.L.A's opinion

Ask Director of Rehabilitation to whether has anything to report to Serial No. 6.

U. O.N. to the Director of Rehabilitation.

Directorate of Rehabilitation.

Returned with compliments.

It has since been learnt from Mr. Kesarlal's relatives in Bombay that he has settld in Delhi, at Kucha Natwani chandni Chowk Clock Tower, House No. 562, Delhi. The Senior Superintendent of Police, New Delhi has therefore been asked to keep a watch on Mr. Kesarlal's activities and submit a report on his financial position from time to time. Further communication with Government will be made in receipt of a report from him. In the meantime orders may kindly be issued on this office letter No. 5268, /RFC/Gen & Loan dated 10-8-49, regarding disposal of assets taken possession of

for Director of Rehabilitation.
Bombay.

U. O. R. No. 33 /RFC/Loan (235) dated 12-11-1949.

Rehabilitation Department.
B Br

Submitted with reference to this Department's note dated the 13th October 1949.

Mr. Kesarlal has settled down at Delhi. Enquiries regarding his financial position are being made through Delhi police. Futher report in the matter may be awaited.

The Director of Rehabilitation has solicited orders regarding disposal of the assets taken possession of. It is therefore for orders whether the papers may be shown to R.L.A. for advice as suggested in o.n. dated the 16th Oct. 1949.

The question for consideration is whether the assets created are of the loan can be auctioned straightaway. The party has mortgaged assets and in view of the fact that he has left his possessions. The assets have been takenover.to-the- The question of their disposal arises.

Rehabilitation Department.

B. Br.

Submitted with reference to this Departments letter dated the24th December 1949.

2. Mr. Kesarlal Saraf the borrower, is at present ecployed with one Kundanlal Saraf at Dehra Dun on Rs.70/- p.m. His present financial position is not satisfactory.

3. The Director of Rehabilitation has submitted a draft of the notice proposed to be given to Mr. Kesar lal for approval. The L. D. may therefore be requested u.o. to state whether the draft of the notice is in order.

I think an addition as regards recovery of the balance if any, is necessary.

Resubmitted.

2. We may add the following phrase to the last sentence of the draft notice.

Without prejudice to the right to further recovery for the balance of the recovery of the loan if any.

Revised draft notice put up.

3. If approved the papers may be referred u.o. to the L.D. for opinion as already proposed.

Office of the R. L. A.

A revised draft notice is sent herewith.

Remembrancer of Legal Affairs,

U. R. to R. H. D No. 2361, dated the 17th February 1950.